

NSC BRIEFING

CLASS. CHANGED TO: TS & S

28 October 1959

BACKGROUND

NEXT REVIEW DATE:

AUTH: HR 70-2

DATE: 12/27/77

REVIEWER:

TUNISIA

25X1

- I. Bourguiba government continues stable, and general election of 8 November is sure to result in a landslide for Bourguiba and his Neo-Destour party.
 - A. Communist slates in 3 of the 17 electoral districts provide only election opposition (in 1956 Communist polled less than 2 percent of vote).
- II. Bourguiba is moving toward expanded contacts with bloc.
 - A. Earlier this fall he permitted establishment of Czech Embassy; arrival of resident Ambassador, however, deemed unlikely.
 - B. Recent arrival in Tunis of Soviet Embassy personnel from Libya may be prelude to diplomatic exchange with USSR.
 - C. Four bloc countries exhibiting at International Trade Fair in Tunis (East Germany, Czechoslovakia, Poland and Communist China; USSR and Hungary, which participated last year, not showing this fall).
- III. Tunisia may move to nationalize important French-owned Sfax-Gafsa phosphate mining and railroad complex.
 - A. Nationalization would pose new problems in relations with France.
 - B. But company has in effect invited government to take steps by:
 1. refusing to modernize methods, a step essential to maintain market for Tunisia's low-grade phosphate (marketing agreement with producers of higher-grade phosphate in Algeria and Morocco expires at end of 1960), and
 2. rejecting Tunisian government funds (and 51% Tunisian government control) which would provide liquid funds for modernization.